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Anthony M. Alessi
Director
Federal Relations

May 9, 1994

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MAY 9 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

RE: Ex Parte Statement
Docket No. ~~93-14~~

90-314

Dear Mr. Caton:

On May 6, 1994, Mr. Kenneth Hallman, Supervisor - Wireless Radio Technology of Ameritech and I met with Mr. Ralph Haller, Chief, Private Radio Bureau, Mr. Jonathan Cohen, Special Counsel, Office of Plans and Policy, and Ms. Julia Kogan, Attorney, Private Radio Bureau to discuss Ameritech's position in the above referenced proceeding. The attached information was used as the basis for our discussion.

Sincerely,

A handwritten signature in black ink, reading "Anthony M. Alessi". The signature is written in a cursive, flowing style. The first name "Anthony" is written in a larger, more prominent script, and the last name "Alessi" is written in a smaller, more compact script.

Attachment

cc: R. Haller
J. Cohen
J. Kogan

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022
A handwritten scribble or signature in black ink, consisting of several overlapping loops and lines.





Overview

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- **Ameritech Is A Wireless Leader**
 - One of The Most Comprehensive PCS Trials In The Nation**
- **Supportive of Expanded Competition and Prompt Licensing**
- **Recommend Modifications To Licensing Framework:**
 - **Five 20 MHz Blocks and Two 10 MHz Blocks**
 - **Cellular Eligibility For 10 MHz At 1.9 GHz**
 - **30% Cellular Ownership Interest Threshold**

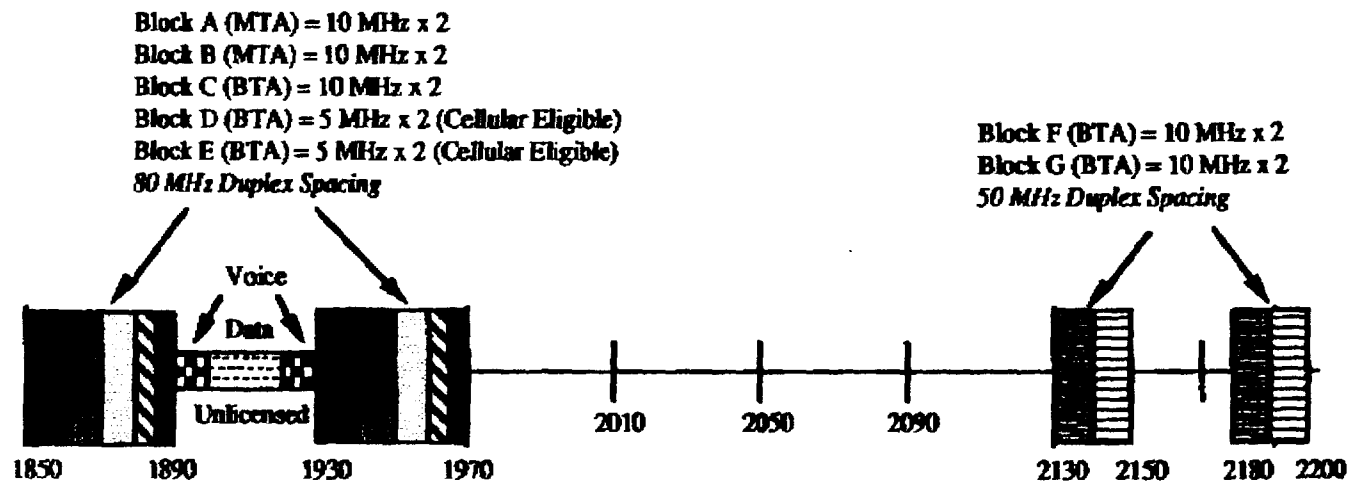
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May 6, 1994

Proposed Revision To PCS License Allocation



- Five Licenses At 1.9 GHz
 - Two 20 MHz MTAs
 - One 20 MHz and Two 10 MHz BTAs
 - One MTA License Per Operator
 - Aggregation Up To 40 MHz
 - Cellular Eligible To Bid On 10 MHz BTAs
- Two Licenses At 2.1 GHz
 - Two 20 MHz BTAs

20 MHz Blocks And Aggregation Is Spectrally Efficient & Pro-Competitive

- **Spectrum Clearing Not A Major Issue At 1.9 GHz:**
 - Number of Links Nationwide In Original Block C (20 MHz) = 761
 - Average Cost To Move A Link = \$150,000
 - Nationwide Pops = 260 Million
- **45¢/Pop To Relocate EVERY Microwave Link In Original Block C**
- **Spectrum Sharing Costs Will Be Reflected In The Auction**
- **Microwave Relocation Costs A Small Percentage Of Total Capital**
- **Site Acquisition And System Build-Out Will Gate System Start Up, Not Spectrum Clearing**
- **Capacity Is Not An Issue With Clear Spectrum***

	City Mkt. Share	Suburban Mkt. Share
1 Mile Radius	89%	404%
2 Mile Radius	22%	99%
4 Mile Radius	5.5%	25%
10 Mile Radius	N.A.	4%

* Assuming: Upbanded IS-95 (CDMA), 20 MHz Clear Spectrum, 30% Penetration, Pops/Sq. Mi. = 4200 City, 930 Suburban (Rand McNally Metro Averages), 2% Erlang B, Omnidirectional Cells, & .05 E/Sub.

Advantages To Ameritech's Proposal

- **Spectrum Fully Utilized By Those Who Value It Most**
- **Better For Aggregation**
 - **40 MHz Limit**
 - **Two 1.9 GHz MTA Licenses In Every Market - BTAs Can Be Used To Supplement Congested Areas**
 - **Rational Economic Aggregation To No Less Than Three New Operators**
 - **Allows Aggregation In The Same Band**
- **Two 20 MHz Licenses At 2.1 GHz Are Better For Spectrum Sharing And Long Term Capacity Considerations**

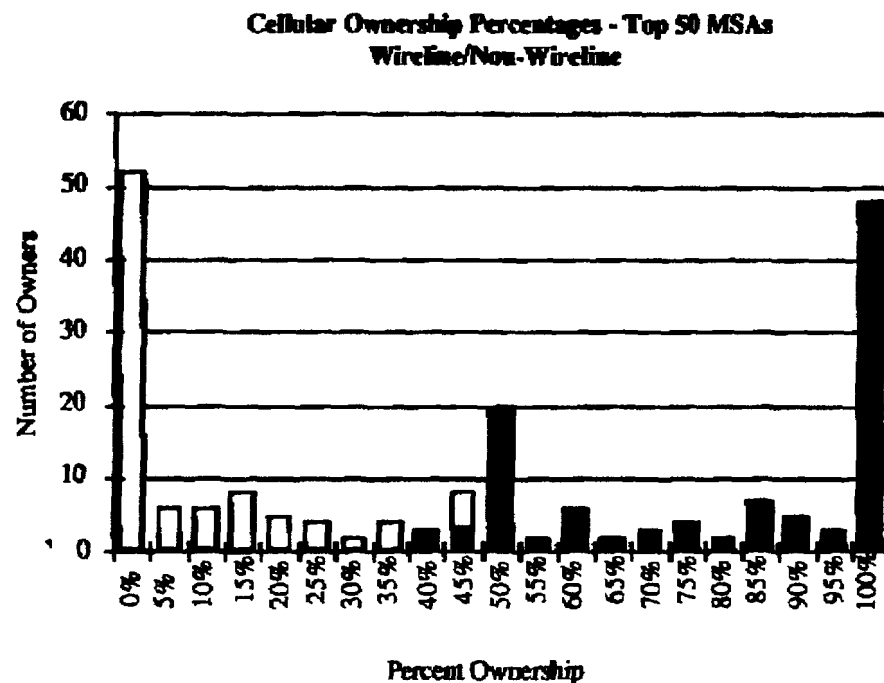
Cellular Eligibility At 1.9 GHz

- **Cellular Eligibility For 10 MHz At 1.9 GHz**
 - **Limits Aggregated Spectrum To 35 MHz**
 - **Facilitates Nationwide Interoperability**
 - **Increases Likelihood Of Nationwide Ubiquity**
 - **Lessens Need For Multi-mode/Multi-frequency Handsets**
 - **Low Tier Services Can Still Be Selectively Deployed**
- **2.1 GHz Band Better Suited For Low Tier Services**
 - **2.1 GHz Much More Congested With Microwave**
 - **15% More Cells Needed For Broad Area Coverage (Versus 1.9 GHz)**
 - **Cellular Equipment Availability Delayed At 2.1 GHz**

Cellular Eligibility Threshold

- Support 10% Population Limit
- 20% Ownership Interest Is Too Low

Top 50 MSAs* Show Ownership Limit Should Be Raised To 30%



- 20% Unnecessarily Excludes Dozens of Non-Controlling Interests Over All Partnerships
- 30% Excludes Only A Few Non-Controlling Partners But Enables The Commission To Establish A Simple Rule

- Don't Penalize Those Who Were Encouraged By The Commission To Take Passive Partnership Interests In The Initial Phase Of Cellular

* The Cellular Communications Industry, Donaldson, Lufkin & Jenrette, June 1993